

Office of Chief Counsel  
Internal Revenue Service

memorandum

CC:NER:CTR:HAR:TL-N-4079-99  
REMarum TL-N-4979-99

date:

to: Chief, Examination Division, Connecticut-Rhode Island District  
Attn: Charles Casey, Exam 1103

from: District Counsel, Connecticut-Rhode Island District, E. Hartford

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subject: Authority to sign Form 872, [REDACTED]  
[REDACTED], EIN [REDACTED]

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Reference is made to your memorandum dated August 5, 1999, whereby you asked our opinion as to whether an officer of a company which was a common parent for the year [REDACTED] has the authority to sign the Form 872 with respect to that year, even though that company is no longer the common parent of the group. It is our opinion that the officer does have the authority to sign the Form 872 for the year [REDACTED].

The facts set forth below are summarized from your memorandum:

1. Company A filed a consolidated return for [REDACTED] and [REDACTED] as the parent of its group.
2. Company B, an unaffiliated company, filed consolidated returns for [REDACTED] and [REDACTED] as the parent of its group.
3. Company C, a newly formed holding company, filed a consolidated return for [REDACTED] as the parent of its group. The group consists of Companies A and B. The return used company A information from [REDACTED] through [REDACTED] and Company B information for the entire [REDACTED] year.

4. Company D, a newly formed holding company, will file its consolidated return as the parent company of its group, consisting of Companies A, B, and C.

5. The corporate returns for Company A are being reviewed for audit potential for the [REDACTED] and [REDACTED] years. The statute of limitations for [REDACTED] is [REDACTED] and, thus, must be extended. Form 872 was issued to Company A and was signed and returned by a corporate officer of Company A, a Senior Vice President and Controller. She is not an officer of Companies C or D.

6. You have concluded from your research, including Treas. Reg. § 1.1502-77(a) and a Field Service Advice issued on November 4, 1992 (CC:FS:TL-N-404-93, CORP:LEGardner), that said officer does have the authority to sign a Form 872 for the [REDACTED] year and any other year for which Company A filed a return as a common parent.

We agree with your conclusion. Treas. Reg. § 1.1502-77(a) provides that the common parent of a consolidated group shall be the sole agent for each subsidiary in the group, duly authorized to act in its own name in all matters relating to the tax liability for the consolidated return year. Treas. Reg. § 1.1502-77(a) further provides that the common parent is the proper party to receive statutory notices of deficiency.

Generally, the common parent for a particular consolidated return year remains the common parent agent for purposes of extending the period of limitations to that year even though that corporation is no longer the common parent of that group when some action, such as executing an extension, needs to be taken for that year. See Alumax Inc. v. Commissioner, 109 T.C. 133 (1997).

In conclusion, it is our opinion that the Form 872 that you issued to Company A, which was signed and returned by an officer, Senior Vice President and Controller, assuming that it is technically correct in other aspects, will validly extend the statute of limitations for Company A and its group for the year [REDACTED]. (You did not provide a copy of the Form 872 with your memorandum.)

Please note that this opinion is based upon the facts set forth herein. Should you determine that the facts are different, you should not rely upon this opinion without conferring with this office, as our opinion might change. Further, this opinion is subject to post-review in our National Office. That review might result in modifications to the conclusion herein. Should

our National Office suggest any material change in the advice, we will inform you as soon as we hear from that office.

The subject case is assigned to Robert E. Marum of this office, who may be reached at (860) 290-4068.

GERALD A. THORPE  
District Counsel

By: \_\_\_\_\_  
ROBERT E. MARUM  
Attorney